

## Message Text

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ORIGIN EB-11

INFO OCT-01 NEA-10 IO-14 ISO-00 AGR-20 CIAE-00 COME-00

INR-10 LAB-06 NSAE-00 RSC-01 SP-03 STR-08 TRSE-00

SWF-02 CIEP-02 OMB-01 L-03 /092 R

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TO AMEMBASSY NEW DELHI PRIORITY

INFO AMCONSUL BOMBAY PRIORITY

USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: ETRD, IN

SUBJECT: BILATERAL TEXTILE CONSULTATIONS

REF: NEW DELHI 4156 AND 4672

1. DEPARTMENT CONCERNED BY BOTH CONTENT AND IMPLICATION OF DELHI 4156. IT APPEARS THAT EITHER (A) BAGCHI MAY NO LONGER BE CONNECTED WITH GOI TEXTILE PROGRAM AND CURRENT POLICY MAKERS DO NOT REPEAT NOT UNDERSTAND PURPOSE OF SIGNED MEMORANDUM OF UNDERSTANDING AND TALKS TO BRING AGREEMENT INTO CONFORMITY WITH MFA OR (B) GOI HAS SIGNIFICANTLY SHIFTED ITS POSITION REGARDING ITS TEXTILE BILATERAL WITH USG SINCE LAST DECEMBER.

2. ONLY SUBSTANTIVE QUOTE U.S. PAPERS UNQUOTE HELD BY  
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GOI ARE MEMORANDUM OF UNDERSTANDING SIGNED BY BAGCHI AND

JURICH LAST DECEMBER IN GENEVA AND TWO DRAFT NOTES IMPLEMENTING THIS MEMORANDUM. USG DOES NOT CONSIDER SIGNED MEMORANDUM AS RENEGOTIABLE. BAGCHI AND GOI EMBASSY HERE ALSO GIVEN LETTER CONTAINING DRAFT OF PROPOSED ADMINISTRATIVE ARRANGEMENT FOR CERTIFICATION SYSTEM FOR HANDLOOMED FABRIC PRODUCTS AND VISA SYSTEM.

3. WE PREFER TO THINK (AND HOPEFULLY YOU CAN CONFIRM) THAT NARASIMHAN HAS ERRONEOUSLY CONNECTED QUOTE U.S. PAPER UNQUOTE WITH QUOTE MAJOR PROBLEMS UNQUOTE. SIGNED MEMORANDUM MENTIONS NEITHER GROWTH LEVELS NOR FURTHER ADJUSTMENTS QUOTE 3RD AND 4TH AGREEMENT YEARS UNQUOTE EXCEPT FOR LAST PARAGRAPH STATING WE WILL AMEND BILATERAL TO BRING AGREEMENT INTO CONFORMITY WITH MFA. THIS WAS, IN FACT, REASON FOR SCHEDULING APRIL CONSULTATIONS.

4. WE DO NOT BELIEVE IT WOULD USEFUL TO HOLD INFORMAL TALKS ON TEXTILE MATTERS UNTIL WE HAVE ASSURANCES GOI ACCEPTS TERMS OF MEMORANDUM WHICH BAGCHI SIGNED, ESPECIALLY SINCE LAST SENTENCE PARA ONE DELHI 4672 IMPLIES BAGCHI MAY NO LONGER SPEAK FOR GOI IN THESE MATTERS. FYI AT THIS JUNCTURE, WE FEEL THAT WITHOUT BAGCHI ACTIVELY LEADING GOI DEL IN CONSULTATIONS, WE WOULD BE BACK TO WHERE WE WERE SEVERAL YEARS AGO WITHOUT THE MUTUAL RESPECT AND UNDERSTANDING BUILT UP DURING PREVIOUS NEGOTIATIONS. IN ADDITION, BAGCHI NEGOTIATED MEMORANDUM IN QUESTION AND HE, POSSIBLY ALONE OF GOI OFFICIALS, UNDERSTANDS THE IMPLICATIONS OF ITS TERMS. END FYI.

5. IF BAGCHI WAS CONSULTED AND CONCURRED WITH THRUST OF PARAGRAPH 3 DELHI 4156, IT APPEARS GOI HAS SIGNIFICANTLY SHIFTED ITS POSITION AND THAT THE SIGNED MEMORANDUM IS INOPERATIVE. IN THIS CASE, CONSULTATIONS WILL BE ARRANGED LATER THIS YEAR TO BRING EXISTING BILATERAL INTO CONFORMITY WITH MFA. IN THE INTERIM, THE LEVELS OF CURRENT AGREEMENT SIGNED SEPTEMBER 28, 1970 WILL APPLY.

6. EMBASSY THEREFORE REQUESTED (1) TO EXPLAIN U.S. LIMITED OFFICIAL USE

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POSITION ON SIGNED MEMORANDUM AND PURPOSE OF RECENTLY CANCELLED CONSULTATIONS. (2) TO EMPHASIZE THAT HIGHER LEVELS OF MEMORANDUM DO NOT REPEAT NOT APPLY UNTIL IMPLEMENTING NOTES ARE EXCHANGED. UNLESS GOI FULLY PREPARED TO EXCHANGE NOTES IMPLEMENTING MEMORANDUM IN PRESENT FORM, GOI SHOULD HOLD SHIPMENTS TO PRESENT AGREEMENT LEVELS, AS SHIPMENTS AGAINST LEVELS IN MEMORANDUM WOULD CONSTITUTE OVERSHIPMENTS. (3) TO

DETERMINE IF BAGCHI STILL ACTIVELY CONNECTED WITH  
TEXTILE PROGRAM. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, COTTON, COMMODITY AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE078116  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MBSMITH/AJWILLIAMS:MLB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740089-0373  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740435/aaaabfos.tel  
**Line Count:** 117  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** NEW DELHI 4156 AND 4672  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUN 2002  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BILATERAL TEXTILE CONSULTATIONS  
**TAGS:** ETRD, IN, US  
**To:** NEW DELHI  
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**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005